107TH CONGRESS H.R. 3717

AN ACT

To reform the Federal deposit insurance system, and for other purposes.

107TH CONGRESS 2D SESSION

H.R.3717

AN ACT

To reform the Federal deposit insurance system, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

- 2 (a) SHORT TITLE.—This Act may be cited as the
- 3 "Federal Deposit Insurance Reform Act of 2002".
- 4 (b) Table of Contents for
- 5 this Act is as follows:
 - Sec. 1. Short title; table of contents.
 - Sec. 2. Merging the BIF and SAIF.
 - Sec. 3. Increase in deposit insurance coverage.
 - Sec. 4. Setting assessments and repeal of special rules relating to minimum assessments and free deposit insurance.
 - Sec. 5. Replacement of fixed designated reserve ratio with reserve range.
 - Sec. 6. Requirements applicable to the risk-based assessment system.
 - Sec. 7. Refunds, dividends, and credits from Deposit Insurance Fund.
 - Sec. 8. Deposit Insurance Fund restoration plans.
 - Sec. 9. Regulations required.
 - Sec. 10. Studies of FDIC structure and expenses and certain activities and further possible changes to deposit insurance system.
 - Sec. 11. Technical and conforming amendments to the Federal Deposit Insurance Act relating to the merger of the BIF and SAIF.
 - Sec. 12. Other technical and conforming amendments relating to the merger of the BIF and SAIF.

6 SEC. 2. MERGING THE BIF AND SAIF.

- 7 (a) IN GENERAL.—
- 8 (1) Merger.—The Bank Insurance Fund and
- 9 the Savings Association Insurance Fund shall be
- merged into the Deposit Insurance Fund.
- 11 (2) Disposition of Assets and Liabil-
- 12 ITIES.—All assets and liabilities of the Bank Insur-
- ance Fund and the Savings Association Insurance
- 14 Fund shall be transferred to the Deposit Insurance
- Fund.
- 16 (3) No separate existence.—The separate
- existence of the Bank Insurance Fund and the Sav-
- ings Association Insurance Fund shall cease on the

1	effective date of the merger thereof under this sec-
2	tion.
3	(b) Repeal of Outdated Merger Provision.—
4	Section 2704 of the Deposit Insurance Funds Act of 1996
5	(12 U.S.C. 1821 note) is repealed.
6	(c) Effective Date.—This section shall take effect
7	on the first day of the first calendar quarter that begins
8	after the end of the 90-day period beginning on the date
9	of the enactment of this Act.
10	SEC. 3. INCREASE IN DEPOSIT INSURANCE COVERAGE.
11	(a) In General.—Section 11(a)(1) of the Federal
12	Deposit Insurance Act (12 U.S.C. 1821(a)(1)) is
13	amended—
14	(1) by striking subparagraph (B) and inserting
15	the following new subparagraph:
16	"(B) Net amount of insured de-
17	POSIT.—The net amount due to any depositor
18	at an insured depository institution shall not
19	exceed the standard maximum deposit insur-
20	ance amount as determined in accordance with
21	subparagraphs (C), (D), (E) and (F) and para-
22	graph (3)."; and
23	(2) by adding at the end the following new sub-
24	paragraphs:

1	"(E) Standard maximum deposit in-
2	SURANCE AMOUNT DEFINED.—For purposes of
3	this Act, the term 'standard maximum deposit
4	insurance amount' means—
5	"(i) until the effective date of final
6	regulations prescribed pursuant to section
7	9(a)(2) of the Federal Deposit Insurance
8	Reform Act of 2002, \$100,000; and
9	"(ii) on and after such effective date,
10	\$130,000, adjusted as provided under sub-
11	paragraph (F).
12	"(F) Inflation adjustment.—
13	"(i) In General.—By April 1 of
14	2005, and the 1st day of each subsequent
15	5-year period, the Board of Directors and
16	the National Credit Union Administration
17	Board shall jointly prescribe the amount
18	by which the standard maximum deposit
19	insurance amount and the standard max-
20	imum share insurance amount (as defined
21	in section 207(k) of the Federal Credit
22	Union Act) applicable to any depositor at
23	an insured depository institution shall be
24	increased by calculating the product of—
25	"(I) \$130,000; and

1	"(II) the ratio of the value of the
2	Personal Consumption Expenditures
3	Chain-Type Index (or any successor
4	index thereto), published by the De-
5	partment of Commerce, as of Decem-
6	ber 31 of the year preceding the year
7	in which the adjustment is calculated
8	under this clause, to the value of such
9	index as of the date this subpara-
10	graph takes effect.
11	"(ii) Rounding.—If the amount de-
12	termined under clause (ii) for any period is
13	not a multiple of \$10,000, the amount so
14	determined shall be rounded to the nearest
15	\$10,000.
16	"(iii) Publication and report to
17	THE CONGRESS.—Not later than April 5 of
18	any calendar year in which an adjustment
19	is required to be calculated under clause (i)
20	to the standard maximum deposit insur-
21	ance amount and the standard maximum
22	share insurance amount under such clause,
23	the Board of Directors and the National
24	Credit Union Administration Board
25	shall—

1 "(I) publish in the Federal Reg-2 ister the standard maximum deposit 3 insurance amount, the standard maximum share insurance amount, and the amount of coverage under para-6 graph (3)(A) and section 207(k)(3) of 7 the Federal Credit Union Act, as so 8 calculated; and 9 "(II) jointly submit a report to 10 the Congress containing the amounts 11 described in subclause (I). 12 "(iv) 6-month implementation pe-13 RIOD.—Unless an Act of Congress enacted 14 before July 1 of the calendar year in which 15 an adjustment is required to be calculated 16 under clause (i) provides otherwise, the in-17 crease in the standard maximum deposit 18 insurance amount and the standard max-19 imum share insurance amount shall take 20 effect on January 1 of the year imme-21 diately succeeding such calendar year.". 22 (b) Coverage for Certain Employee Benefit PLAN DEPOSITS.—Section 11(a)(1)(D) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(1)(D)) is amended to read as follows:

1	"(D) Coverage for certain employee
2	BENEFIT PLAN DEPOSITS.—
3	"(i) Pass-through insurance.—
4	The Corporation shall provide pass-
5	through deposit insurance for the deposits
6	of any employee benefit plan.
7	"(ii) Prohibition on acceptance
8	OF BENEFIT PLAN DEPOSITS.—An insured
9	depository institution that is not well cap-
10	italized or adequately capitalized may not
11	accept employee benefit plan deposits.
12	"(iii) Definitions.—For purposes of
13	this subparagraph, the following definitions
14	shall apply:
15	"(I) Capital standards.—The
16	terms 'well capitalized' and 'ade-
17	quately capitalized' have the same
18	meanings as in section 38.
19	"(II) Employee benefit
20	PLAN.—The term 'employee benefit
21	plan' has the same meaning as in
22	paragraph (8)(B)(ii), and includes any
23	eligible deferred compensation plan
24	described in section 457 of the Inter-
25	nal Revenue Code of 1986.

1	"(III) Pass-through deposit
2	INSURANCE.—The term 'pass-through
3	deposit insurance' means, with respect
4	to an employee benefit plan, deposit
5	insurance coverage provided on a pro
6	rata basis to the participants in the
7	plan, in accordance with the interest
8	of each participant.".
9	(e) Doubling of Deposit Insurance for Cer-
10	TAIN RETIREMENT ACCOUNTS.—Section 11(a)(3)(A) of
11	the Federal Deposit Insurance Act (12 U.S.C.
12	1821(a)(3)(A)) is amended by striking "\$100,000" and
13	inserting "2 times the standard maximum deposit insur-
14	ance amount (as determined under paragraph (1))".
15	(d) Increased Insurance Coverage for Munic-
16	IPAL DEPOSITS.—Section 11(a)(2) of the Federal Deposit
17	Insurance Act (12 U.S.C. 1821(a)(2)) is amended—
18	(1) in subparagraph (A)—
19	(A) by moving the margins of clauses (i)
20	through (v) 4 ems to the right;
21	(B) by striking, in the matter following
22	clause (v), "such depositor shall" and all that
23	follows through the period; and
24	(C) by striking the semicolon at the end of
25	clause (v) and inserting a period;

1	(2) by striking "(2)(A) Notwithstanding" and
2	all that follows through "a depositor who is—" and
3	inserting the following:
4	"(2) Municipal depositors.—
5	"(A) IN GENERAL.—Notwithstanding any
6	limitation in this Act or in any other provision
7	of law relating to the amount of deposit insur-
8	ance available to any 1 depositor—
9	"(i) a municipal depositor shall, for
10	the purpose of determining the amount of
11	insured deposits under this subsection, be
12	deemed to be a depositor separate and dis-
13	tinct from any other officer, employee, or
14	agent of the United States or any public
15	unit referred to in subparagraph (E); and
16	"(ii) except as provided in subpara-
17	graph (B), the deposits of a municipal de-
18	positor shall be insured in an amount
19	equal to the standard maximum deposit in-
20	surance amount (as determined under
21	paragraph (1)).
22	"(B) In-state municipal depositors.—
23	In the case of the deposits of an in-State mu-
24	nicipal depositor described in clause (ii), (iii),
25	(iv), or (v) of subparagraph (E) at an insured

1	depository institution, such deposits shall be in-
2	sured in an amount not to exceed the lesser
3	of—
4	"(i) \$2,000,000; or
5	"(ii) the sum of the standard max-
6	imum deposit insurance amount and 80
7	percent of the amount of any deposits in
8	excess of the standard maximum deposit
9	insurance amount.
10	"(C) Municipal deposit parity.—No
11	State may deny to insured depository institu-
12	tions within its jurisdiction the authority to ac-
13	cept deposits insured under this paragraph, or
14	prohibit the making of such deposits in such in-
15	stitutions by any in-State municipal depositor.
16	"(D) In-state municipal depositor de-
17	FINED.—For purposes of this paragraph, the
18	term 'in-State municipal depositor' means a
19	municipal depositor that is located in the same
20	State as the office or branch of the insured de-
21	pository institution at which the deposits of
22	that depositor are held.
23	"(E) MUNICIPAL DEPOSITOR.—In this
24	paragraph, the term 'municipal depositor'
25	means a depositor that is—";

1	(3) by striking "(B) The" and inserting the fol-
2	lowing:
3	"(F) Authority to limit deposits.—
4	The"; and
5	(4) by striking "depositor referred to in sub-
6	paragraph (A) of this paragraph" each place such
7	term appears and inserting "municipal depositor".
8	(e) Technical and Conforming Amendment Re-
9	LATING TO INSURANCE OF TRUST FUNDS.—Paragraphs
10	(1) and (3) of section 7(i) of the Federal Deposit Insur-
11	ance Act (12 U.S.C. 1817(i)) are each amended by strik-
12	ing "\$100,000" and inserting "the standard maximum de-
13	posit insurance amount (as determined under section
14	11(a)(1))".
15	(f) Other Technical and Conforming Amend-
16	MENTS.—
17	(1) Section 11(m)(6) of the Federal Deposit In-
18	surance Act (12 U.S.C. 1821(m)(6)) is amended by
19	striking "\$100,000" and inserting "an amount equal
20	to the standard maximum deposit insurance
21	amount".
22	(2) Subsection (a) of section 18 of the Federal
23	Deposit Insurance Act (12 U.S.C. 1828(a)) is
24	amended to read as follows:
25	"(a) Insurance Logo —

- 1 "(1) Insured depository institutions.—
 2 Each insured depository institution shall display at
 3 each place of business maintained by that institution
 4 a sign or signs relating to the insurance of the de5 posits of the institution, in accordance with regula6 tions to be prescribed by the Corporation.
 - "(2) REGULATIONS.—The Corporation shall prescribe regulations to carry out this subsection, including regulations governing the substance of signs required by paragraph (1) and the manner of display or use of such signs.
 - "(3) PENALTIES.—For each day that an insured depository institution continues to violate this subsection or any regulation issued under this subsection, it shall be subject to a penalty of not more than \$100, which the Corporation may recover for its use.".
 - (3) Section 43(d) of the Federal Deposit Insurance Act (12 U.S.C. 1831t(d)) is amended by striking "\$100,000" and inserting "an amount equal to the standard maximum deposit insurance amount".
 - (4) Section 6 of the International Banking Act of 1978 (12 U.S.C. 3104) is amended—
- 24 (A) by striking "\$100,000" each place 25 such term appears and inserting "an amount

1	equal to the standard maximum deposit insur-
2	ance amount"; and
3	(B) by adding at the end the following new
4	subsection:
5	"(e) Standard Maximum Deposit Insurance
6	AMOUNT DEFINED.—For purposes of this section, the
7	term 'standard maximum deposit insurance amount'
8	means the amount of the maximum amount of deposit in-
9	surance as determined under section 11(a)(1) of the Fed-
10	eral Deposit Insurance Act.".
11	(g) Conforming Change to Credit Union Share
12	Insurance Fund.—
13	(1) In general.—Section 207(k) of the Fed-
14	eral Credit Union Act (12 U.S.C. 1787(k)) is
15	amended—
16	(A) by striking " $(k)(1)$ " and all that fol-
17	lows through the end of paragraph (1) and in-
18	serting the following:
19	"(k) Insured Amounts Payable.—
20	"(1) Net insured amount.—
21	"(A) In general.—Subject to the provi-
22	sions of paragraph (2), the net amount of share
23	insurance payable to any member at an insured
24	credit union shall not exceed the total amount
25	of the shares or deposits in the name of the

member (after deducting offsets), less any part thereof which is in excess of the standard maximum share insurance amount, as determined in accordance with this paragraph and paragraphs (5) and (6), and consistently with actions taken by the Federal Deposit Insurance Corporation under section 11(a) of the Federal Deposit Insurance Act.

"(B) AGGREGATION.—Determination of the net amount of share insurance under sub-paragraph (A), shall be in accordance with such regulations as the Board may prescribe, and, in determining the amount payable to any member, there shall be added together all accounts in the credit union maintained by that member for that member's own benefit, either in the member's own name or in the names of others.

"(C) AUTHORITY TO DEFINE THE EXTENT OF COVERAGE.—The Board may define, with such classifications and exceptions as it may prescribe, the extent of the share insurance coverage provided for member accounts, including member accounts in the name of a minor, in trust, or in joint tenancy.";

(B) in paragraph (2)—

1	(i) in subparagraph (A)—
2	(I) in clauses (i) through (v), by
3	moving the margins 4 ems to the
4	$\operatorname{right};$
5	(II) in the matter following
6	clause (v), by striking "his account"
7	and all that follows through the pe-
8	riod; and
9	(III) by striking the semicolon at
10	the end of clause (v) and inserting a
11	period;
12	(ii) by striking "(2)(A) Notwith-
13	standing" and all that follows through "a
14	depositor or member who is—" and insert-
15	ing the following:
16	"(2) Municipal depositors or members.—
17	"(A) In General.—Notwithstanding any
18	limitation in this Act or in any other provision
19	of law relating to the amount of insurance
20	available to any 1 depositor or member, depos-
21	its or shares of a municipal depositor or mem-
22	ber shall be insured in an amount equal to the
23	standard maximum share insurance amount (as
24	determined under paragraph (5)), except as
25	provided in subparagraph (B).

1	"(B) In-state municipal depositors.—
2	In the case of the deposits of an in-State mu-
3	nicipal depositor described in clause (ii), (iii)
4	(iv), or (v) of subparagraph (E) at an insured
5	credit union, such deposits shall be insured in
6	an amount equal to the lesser of—
7	"(i) \$2,000,000; or
8	"(ii) the sum of the standard max
9	imum deposit insurance amount and 80
10	percent of the amount of any deposits in
11	excess of the standard maximum deposit
12	insurance amount.
13	"(C) Rule of Construction.—No provi-
14	sion of this paragraph shall be construed as au-
15	thorizing an insured credit union to accept the
16	deposits of a municipal depositor in an amoun-
17	greater than such credit union is authorized to
18	accept under any other provision of Federal or
19	State law.
20	"(D) In-state municipal depositor de-
21	FINED.—For purposes of this paragraph, the
22	term 'in-State municipal depositor' means a
23	municipal depositor that is located in the same

State as the office or branch of the insured

24

1	credit union at which the deposits of that de-
2	positor are held.
3	"(E) Municipal depositor.—In this
4	paragraph, the term 'municipal depositor'
5	means a depositor that is—";
6	(iii) by striking "(B) The" and insert-
7	ing the following:
8	"(F) AUTHORITY TO LIMIT DEPOSITS.—
9	The"; and
10	(iv) by striking "depositor or member
11	referred to in subparagraph (A)" and in-
12	serting "municipal depositor or member";
13	and
14	(C) by adding at the end the following new
15	paragraphs:
16	"(4) Coverage for certain employee ben-
17	EFIT PLAN DEPOSITS.—
18	"(A) Pass-through insurance.—The
19	Administration shall provide pass-through share
20	insurance for the deposits or shares of any em-
21	ployee benefit plan.
22	"(B) Prohibition on acceptance of
23	DEPOSITS.—An insured credit union that is not
24	well capitalized or adequately capitalized may
25	not accept employee benefit plan deposits.

1	"(C) Definitions.—For purposes of this
2	paragraph, the following definitions shall apply:
3	"(i) Capital standards.—The
4	terms 'well capitalized' and 'adequately
5	capitalized' have the same meanings as in
6	section 216(c).
7	"(ii) Employee benefit plan.—
8	The term 'employee benefit plan'—
9	"(I) has the meaning given to
10	such term in section 3(3) of the Em-
11	ployee Retirement Income Security
12	Act of 1974;
13	"(II) includes any plan described
14	in section 401(d) of the Internal Rev-
15	enue Code of 1986; and
16	"(III) includes any eligible de-
17	ferred compensation plan described in
18	section 457 of the Internal Revenue
19	Code of 1986.
20	"(iii) Pass-through share insur-
21	ANCE.—The term 'pass-through share in-
22	surance' means, with respect to an em-
23	ployee benefit plan, insurance coverage
24	provided on a pro rata basis to the partici-

1	pants in the plan, in accordance with the
2	interest of each participant.
3	"(D) Rule of Construction.—No provi-
4	sion of this paragraph shall be construed as au-
5	thorizing an insured credit union to accept the
6	deposits of an employee benefit plan in an
7	amount greater than such credit union is au-
8	thorized to accept under any other provision of
9	Federal or State law.
10	"(5) Standard Maximum share insurance
11	AMOUNT DEFINED.—For purposes of this Act, the
12	term 'standard maximum share insurance amount'
13	means—
14	"(A) until the effective date of final regula-
15	tions prescribed pursuant to section 9(a)(2) of
16	the Federal Deposit Insurance Reform Act of
17	2002, \$100,000; and
18	"(B) on and after such effective date,
19	\$130,000, adjusted as provided under section
20	11(a)(1)(F) of the Federal Deposit Insurance
21	Act.''.
22	(2) Doubling of share insurance for cer-
23	TAIN RETIREMENT ACCOUNTS.—Section 207(k)(3)
24	of the Federal Credit Union Act (12 U.S.C.
25	1787(k)(3)) is amended by striking "\$100,000" and

1	inserting "2 times the standard maximum share in-
2	surance amount (as determined under paragraph
3	(1))".
4	(h) Effective Date.—This section and the amend-
5	ments made by this section shall take effect on the date
6	the final regulations required under section 9(a)(2) take
7	effect.
8	SEC. 4. SETTING ASSESSMENTS AND REPEAL OF SPECIAL
9	RULES RELATING TO MINIMUM ASSESS
10	MENTS AND FREE DEPOSIT INSURANCE.
11	(a) Setting Assessments.—Section 7(b)(2) of the
12	Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)) is
13	amended—
14	(1) by striking subparagraphs (A) and (B) and
15	inserting the following new subparagraphs:
16	"(A) IN GENERAL.—The Board of Direc-
17	tors shall set assessments for insured depository
18	institutions in such amounts as the Board of
19	Directors may determine to be necessary or ap-
20	propriate, subject to subparagraph (D).
21	"(B) Factors to be considered.—In
22	setting assessments under subparagraph (A)
23	the Board of Directors shall consider the fol-
24	lowing factors:

1	"(i) The estimated operating expenses
2	of the Deposit Insurance Fund.
3	"(ii) The estimated case resolution ex-
4	penses and income of the Deposit Insur-
5	ance Fund.
6	"(iii) The projected effects of the pay-
7	ment of assessments on the capital and
8	earnings of insured depository institutions.
9	"(iv) the risk factors and other factors
10	taken into account pursuant to paragraph
11	(1) under the risk-based assessment sys-
12	tem, including the requirement under such
13	paragraph to maintain a risk-based sys-
14	tem.
15	"(v) Any other factors the Board of
16	Directors may determine to be appro-
17	priate."; and
18	(2) by inserting after subparagraph (C) the fol-
19	lowing new subparagraph:
20	"(D) Base rate for assessments.—
21	"(i) In general.—In setting assess-
22	ment rates pursuant to subparagraph (A),
23	the Board of Directors shall establish a
24	base rate of not more than 1 basis point
25	(exclusive of any credit or dividend) for

1	those insured depository institutions in the
2	lowest-risk category under the risk-based
3	assessment system established pursuant to
4	paragraph (1).
5	"(ii) Suspension.—Clause (i) shall
6	not apply during any period in which the
7	reserve ratio of the Deposit Insurance
8	Fund is less than the amount which is
9	equal to 1.15 percent of the aggregate esti-
10	mated insured deposits.".
11	(b) Assessment Recordkeeping Period Short-
12	ENED.—Paragraph (5) of section 7(b) of the Federal De-
13	posit Insurance Act (12 U.S.C. 1817(b)) is amended to
14	read as follows:
15	"(5) Depository institution required to
16	MAINTAIN ASSESSMENT-RELATED RECORDS.—Each
17	insured depository institution shall maintain all
18	records that the Corporation may require for
19	verifying the correctness of any assessment on the
20	insured depository institution under this subsection
21	until the later of—
22	"(A) the end of the 3-year period begin-
23	ning on the due date of the assessment; or
24	"(B) in the case of a dispute between the
25	insured depository institution and the Corpora-

1	tion with respect to such assessment, the date
2	of a final determination of any such dispute."
3	(c) Increase in Fees for Late Assessment Pay-
4	MENTS.—Subsection (h) of section 18 of the Federal De-
5	posit Insurance Act (12 U.S.C. 1828(h)) is amended to
6	read as follows:
7	"(h) Penalty for Failure to Timely Pay As-
8	SESSMENTS.—
9	"(1) In general.—Any insured depository in-
10	stitution which fails or refuses to pay any assess-
11	ment shall be subject to a penalty in an amount not
12	more than 1 percent of the amount of the assess-
13	ment due for each day that such violation continues
14	"(2) Exception in case of dispute.—Para-
15	graph (1) shall not apply if—
16	"(A) the failure to pay an assessment is
17	due to a dispute between the insured depository
18	institution and the Corporation over the
19	amount of such assessment; and
20	"(B) the insured depository institution de-
21	posits security satisfactory to the Corporation
22	for payment upon final determination of the
23	issue.
24	"(3) Authority to modify or remit pen-
25	ALTY.—The Corporation, in the sole discretion of

- 1 the Corporation, may compromise, modify or remit
- 2 any penalty which the Corporation may assess or
- 3 has already assessed under paragraph (1) upon a
- finding that good cause prevented the timely pay-
- 5 ment of an assessment.".
- 6 (d) Assessments for Lifeline Accounts.—
- 7 (1) In General.—Section 232 of the Federal
- 8 Deposit Insurance Corporation Improvement Act of
- 9 1991 (12 U.S.C. 1834) is amended by striking sub-
- section (c).
- 11 (2) Clarification of rate applicable to
- 12 DEPOSITS ATTRIBUTABLE TO LIFELINE AC-
- 13 COUNTS.—Section 7(b)(2)(H) of the Federal Deposit
- 14 Insurance Act (12 U.S.C. 1817(b)(2)(H)) is amend-
- ed by striking "at a rate determined in accordance
- with such Act" and inserting "at ½ the assessment
- 17 rate otherwise applicable for such insured depository
- institution".
- 19 (3) REGULATIONS.—Section 232(a)(1) of the
- 20 Federal Deposit Insurance Corporation Improvement
- 21 Act of 1991 (12 U.S.C. 1834(a)(1)) is amended by
- striking "Board of Governors of the Federal Reserve
- 23 System, and the".
- 24 (e) Technical and Conforming Amendments.—

1	(1) Paragraph (3) of section 7(a) of the Fed-
2	eral Deposit Insurance Act (12 U.S.C. 1817(a)(3))
3	is amended by striking the 3d sentence and inserting
4	the following: "Such reports of condition shall be the
5	basis for the certified statements to be filed pursu-
6	ant to subsection (c).".
7	(2) Subparagraphs (B)(ii) and (C) of section
8	7(b)(1) of the Federal Deposit Insurance Act (12
9	U.S.C. 1817(b)(1)) are each amended by striking
10	"semiannual" where such term appears in each such
11	subparagraph.
12	(3) Section 7(b)(2) of the Federal Deposit In-
13	surance Act (12 U.S.C. 1817(b)(2)) is amended—
14	(A) by striking subparagraphs (E), (F),
15	and (G);
16	(B) in subparagraph (C), by striking
17	"semiannual"; and
18	(C) by redesignating subparagraph (H) (as
19	amended by subsection (e)(2) of this section) as
20	subparagraph (E).
21	(4) Section 7(b) of the Federal Deposit Insur-
22	ance Act (12 U.S.C. 1817(b)) is amended by strik-
23	ing paragraph (4) and redesignating paragraphs (5)
24	(as amended by subsection (b) of this section), (6),
25	and (7) as paragraphs (4), (5), and (6) respectively.

1	(5) Section 7(c) of the Federal Deposit Insur-
2	ance Act (12 U.S.C. 1817(c)) is amended—
3	(A) in paragraph (1)(A), by striking
4	"semiannual";
5	(B) in paragraph (2)(A), by striking
6	"semiannual"; and
7	(C) in paragraph (3), by striking "semi-
8	annual period" and inserting "initial assess-
9	ment period".
10	(6) Section 7(g)(6) of the Federal Deposit In-
11	surance Act (12 U.S.C. 1817(g)(6)) (as amended by
12	subsection (c) of this section) is amended by striking
13	"(b)(5)" and inserting "(b)(4)".
14	(7) Section 8(p) of the Federal Deposit Insur-
15	ance Act (12 U.S.C. 1818(p)) is amended by strik-
16	ing "semiannual".
17	(8) Section 8(q) of the Federal Deposit Insur-
18	ance Act (12 U.S.C. 1818(q)) is amended by strik-
19	ing "semiannual period" and inserting "assessment
20	period".
21	(9) Section 13(e)(4)(G)(ii)(II) of the Federal
22	Deposit Insurance Act (12 U.S.C.
23	1823(c)(4)(G)(ii)(II)) is amended by striking "semi-
24	annual period" and inserting "assessment period".

1	(10) Section 232(a) of the Federal Deposit In-
2	surance Corporation Improvement Act of 1991 (12
3	U.S.C. 1834(a)) is amended—
4	(A) in the matter preceding subparagraph
5	(A) of paragraph (2), by striking "the Board
6	and";
7	(B) in subparagraph (J) of paragraph (2),
8	by striking "the Board" and inserting "the
9	Corporation";
10	(C) by striking subparagraph (A) of para-
11	graph (3) and inserting the following new sub-
12	paragraph:
13	"(A) CORPORATION.—The term 'Corpora-
14	tion' means the Federal Deposit Insurance Cor-
15	poration."; and
16	(D) in subparagraph (C) of paragraph (3),
17	by striking "Board" and inserting "Corpora-
18	tion".
19	(f) Effective Date.—Except as provided in sub-
20	section (c), this section and the amendments made by this
21	section shall take effect on the date that the final regula-
22	tions required under section 9(a)(5) take effect.

1	SEC. 5. REPLACEMENT OF FIXED DESIGNATED RESERVE
2	RATIO WITH RESERVE RANGE.
3	(a) In General.—Section 7(b)(3) of the Federal
4	Deposit Insurance Act (12 U.S.C. 1817(b)(3)) is amended
5	to read as follows:
6	"(3) Designated reserve ratio.—
7	"(A) Establishment.—
8	"(i) In General.—The Board of Di-
9	rectors shall designate, by regulation after
10	notice and opportunity for comment, the
11	reserve ratio applicable with respect to the
12	Deposit Insurance Fund.
13	"(ii) Not less than annual rede-
14	TERMINATION.—A determination under
15	clause (i) shall be made by the Board of
16	Directors at least before the beginning of
17	each calendar year, for such calendar year,
18	and at such other times as the Board of
19	Directors may determine to be appropriate.
20	"(B) RANGE.—The reserve ratio des-
21	ignated by the Board of Directors for any
22	year—
23	"(i) may not exceed 1.4 percent of es-
24	timated insured deposits; and
25	"(ii) may not be less than 1.15 per-
26	cent of estimated insured deposits.

1	"(C) Factors.—In designating a reserve
2	ratio for any year, the Board of Directors
3	shall—
4	"(i) take into account the risk of
5	losses to the Deposit Insurance Fund in
6	such year and future years, including his-
7	toric experience and potential and esti-
8	mated losses from insured depository insti-
9	tutions;
10	"(ii) take into account economic con-
11	ditions generally affecting insured deposi-
12	tory institutions so as to allow the des-
13	ignated reserve ratio to increase during
14	more favorable economic conditions and to
15	decrease during less favorable economic
16	conditions, notwithstanding the increased
17	risks of loss that may exist during such
18	less favorable conditions, as determined to
19	be appropriate by the Board of Directors;
20	"(iii) seek to prevent sharp swings in
21	the assessment rates for insured depository
22	institutions; and
23	"(iv) take into account such other fac-
24	tors as the Board of Directors may deter-

1	mine to be appropriate, consistent with the
2	requirements of this subparagraph.
3	"(D) Publication of Proposed Change
4	IN RATIO.—In soliciting comment on any pro-
5	posed change in the designated reserve ratio in
6	accordance with subparagraph (A), the Board
7	of Directors shall include in the published pro-
8	posal a thorough analysis of the data and pro-
9	jections on which the proposal is based.".
10	(b) Technical and Conforming Amendment.—
11	Section 3(y) of the Federal Deposit Insurance Act (12
12	U.S.C. 1813(y)) is amended—
13	(1) by striking "(y) The term" and inserting
14	"(y) Definitions Relating to Deposit Insur-
15	ANCE FUND.—
16	"(1) Deposit insurance fund.—The term";
17	and
18	(2) by inserting after paragraph (1) (as so des-
19	ignated by paragraph (1) of this subsection) the fol-
20	lowing new paragraph:
21	"(2) Designated reserve ratio.—The term
22	'designated reserve ratio' means the reserve ratio
23	designated by the Board of Directors in accordance
24	with section $7(b)(3)$.".

1	(c) Effective Date.—This section and the amend-
2	ments made by this section shall take effect on the date
3	that the final regulations required under section 9(a)(1)
4	take effect.
5	SEC. 6. REQUIREMENTS APPLICABLE TO THE RISK-BASED
6	ASSESSMENT SYSTEM.
7	Section 7(b)(1) of the Federal Deposit Insurance Act
8	(12 U.S.C. 1817(b)(1)) is amended by adding at the end
9	the following new subparagraphs:
10	"(E) Information concerning risk of
11	LOSS AND ECONOMIC CONDITIONS.—
12	"(i) Sources of information.—For
13	purposes of determining risk of losses at
14	insured depository institutions and eco-
15	nomic conditions generally affecting depos-
16	itory institutions, the Corporation shall col-
17	lect information, as appropriate, from all
18	sources the Board of Directors considers
19	appropriate, such as reports of condition,
20	inspection reports, and other information
21	from all Federal banking agencies, any in-
22	formation available from State bank super-
23	visors, State insurance and securities regu-
24	lators, the Securities and Exchange Com-
25	mission (including information described in

1 section 35), the Secretary of the Treasury, 2 the Commodity Futures Trading Commission, the Farm Credit Administration, the 3 Federal Trade Commission, any Federal reserve bank or Federal home loan bank, 6 and other regulators of financial institu-7 tions, and any information available from credit rating entities, and other private 8 9 economic or business analysts. "(ii) Consultation with federal 10 11 BANKING AGENCIES.— 12 "(I) IN GENERAL.—Except as 13 provided in subclause (II), in assess-14 ing the risk of loss to the Deposit In-15 surance Fund with respect to any in-16 sured depository institution, the Cor-17 poration shall consult with the appro-18 priate Federal banking agency of such 19 institution. 20 TREATMENT ON AGGRE-21 GATE BASIS.—In the case of insured 22 depository institutions that are well 23 capitalized (as defined in section 38) 24 and, in the most recent examination, 25 were found to be well managed, the

1	consultation under subclause (I) con-
2	cerning the assessment of the risk of
3	loss posed by such institutions may be
4	made on an aggregate basis.
5	"(iii) Rule of construction.—No
6	provision of this paragraph shall be con-
7	strued as providing any new authority for
8	the Corporation to require submission of
9	information by insured depository institu-
10	tions to the Corporation.
11	"(F) Modifications to the risk-based
12	ASSESSMENT SYSTEM ALLOWED ONLY AFTER
13	NOTICE AND COMMENT.—In revising or modi-
14	fying the risk-based assessment system at any
15	time after the date of the enactment of the
16	Federal Deposit Insurance Reform Act of 2002,
17	the Board of Directors may implement such re-
18	visions or modification in final form only after
19	notice and opportunity for comment.".
20	SEC. 7. REFUNDS, DIVIDENDS, AND CREDITS FROM DE-
21	POSIT INSURANCE FUND.
22	(a) In General.—Subsection (e) of section 7 of the
23	Federal Deposit Insurance Act (12 U.S.C. 1817(e)) is
24	amended to read as follows:
25	"(e) Refunds, Dividends, and Credits.—

1	"(1) REFUNDS OF OVERPAYMENTS.—In the
2	case of any payment of an assessment by an insured
3	depository institution in excess of the amount due to
4	the Corporation, the Corporation may—
5	"(A) refund the amount of the excess pay-
6	ment to the insured depository institution; or
7	"(B) credit such excess amount toward the
8	payment of subsequent assessments until such
9	credit is exhausted.
10	"(2) DIVIDENDS FROM EXCESS AMOUNTS IN
11	DEPOSIT INSURANCE FUND.—
12	"(A) RESERVE RATIO EQUAL TO OR IN EX-
13	CESS OF 1.4 PERCENT OF ESTIMATED INSURED
14	DEPOSITS.—Whenever the reserve ratio of the
15	Deposit Insurance Fund equals or exceeds 1.4
16	percent of estimated insured deposits, the Cor-
17	poration shall declare the amount in the Fund
18	in excess of the amount required to maintain
19	the reserve ratio at the designated reserve ratio
20	in effect at such time, as dividends to be paid
21	to insured depository institutions.
22	"(B) Reserve ratio equal to or in ex-
23	CESS OF 1.35 PERCENT OF ESTIMATED INSURED
24	DEPOSITS AND LESS THAN 1.4 PERCENT.—
25	Whenever the reserve ratio of the Deposit In-

surance Fund equals or exceeds 1.35 percent of estimated insured deposits and is less than 1.4 percent of such deposits, the Corporation shall declare the amount in the Fund that is equal to 50 percent of the amount in excess of the amount required to maintain the reserve ratio at 1.35 percent of the estimated insured deposits as dividends to be paid to insured depository institutions.

"(C) Basis for distribution of dividends.—

"(i) IN GENERAL.—Solely for the purposes of dividend distribution under this paragraph and credit distribution under paragraph (3)(B), the Corporation shall determine each insured depository institution's relative contribution to the Deposit Insurance Fund (or any predecessor deposit insurance fund) for calculating such institution's share of any dividend or credit declared under this paragraph or paragraph (3)(B), taking into account the factors described in clause (ii).

"(ii) Factors for distribution.—
In implementing this paragraph and para-

1	graph (3)(B) in accordance with regula-
2	tions, the Corporation shall take into ac-
3	count the following factors:
4	"(I) The ratio of the assessment
5	base of an insured depository institu-
6	tion (including any predecessor) on
7	December 31, 1996, to the assessment
8	base of all eligible insured depository
9	institutions on that date.
10	"(II) The total amount of assess-
11	ments paid on or after January 1,
12	1997, by an insured depository insti-
13	tution (including any predecessor) to
14	the Deposit Insurance Fund (and any
15	predecessor deposit insurance fund).
16	"(III) That portion of assess-
17	ments paid by an insured depository
18	institution (including any predecessor)
19	that reflects higher levels of risk as-
20	sumed by such institution.
21	"(IV) Such other factors as the
22	Corporation may determine to be ap-
23	propriate.
24	"(D) NOTICE AND OPPORTUNITY FOR
25	COMMENT.—The calculation, declaration, and

1 payment of dividends under this paragraph 2 shall be made at such times, in such manner, and on such conditions as the Corporation shall 3 prescribe by regulation, after notice and opportunity for comment. 6 "(3) Credit Pool.— 7 "(A) ONE-TIME CREDIT BASED ON TOTAL 8 ASSESSMENT BASE AT YEAR-END 1996.— 9 "(i) IN GENERAL.—Before the end of 10 the 270-day period beginning on the date 11 of the enactment of the Federal Deposit 12 Insurance Reform Act of 2002, the Board 13 of Directors shall, by regulation, provide 14 for a credit to each eligible insured deposi-15 tory institution, based on the assessment 16 base of the institution (including any pred-17 ecessor institution) on December 31, 1996, 18 as compared to the combined aggregate as-19 sessment base of all eligible insured deposi-20 tory institutions, taking into account such 21 factors as the Board of Directors may de-22 termine to be appropriate. 23 "(ii) Credit Limit.—The aggregate 24 amount of credits available under clause (i)

to all eligible insured depository institu-

1	tions shall equal the amount that the Cor-
2	poration could collect if the Corporation
3	imposed an assessment of 12 basis points
4	on the combined assessment base of the
5	Bank Insurance Fund and the Savings As-
6	sociation Insurance Fund as of December
7	31, 2001.
8	"(iii) Eligible insured depository
9	INSTITUTION DEFINED.—For purposes of
10	this paragraph, the term 'eligible insured
11	depository institution' means any insured
12	depository institution that—
13	"(I) was in existence on Decem-
14	ber 31, 1996, and paid a deposit in-
15	surance assessment prior to that date;
16	or
17	"(II) is a successor to any in-
18	sured depository institution described
19	in subclause (II).
20	"(iv) Application of credits.—
21	"(I) IN GENERAL.—The amount
22	of a credit to any eligible insured de-
23	pository institution under this para-
24	graph may be applied by the Corpora-
25	tion to those portions of the assess-

1	ments imposed on such institution
2	under subsection (b) that become due
3	for assessment periods beginning after
4	the effective date of regulations pre-
5	scribed under clause (i).
6	"(II) REGULATIONS.—The regu-
7	lations prescribed under clause (i)
8	shall establish the qualifications and
9	procedures governing the application
10	of assessment credits pursuant to sub-
11	clause (I).
12	"(v) Criteria for Determina-
13	TION.—In determining whether to provide
14	assessment credits under this paragraph
15	and the amounts of any such credits, the
16	Board of Directors shall take into account
17	the factors for designating the reserve
18	ratio under subsection (b)(3) and the fac-
19	tors for setting assessments under sub-
20	section $(b)(2)(B)$.
21	"(vi) Limitation on amount of
22	CREDIT FOR CERTAIN DEPOSITORY INSTI-
23	TUTIONS.—In the case of an insured de-
24	pository institution that exhibits financial,
25	operational, or compliance weaknesses

ranging from moderately severe to unsatisfactory, or is not adequately capitalized (as defined in section 38) at the beginning of an assessment period, the amount of any credit allowed under this paragraph against the assessment on that depository institution for such period may not exceed the amount calculated by applying to that depository institution the average assessment rate on all insured depository institutions for such assessment period.

"(vii) Predecessor defined.—For purposes of this paragraph, the term 'predecessor', when used with respect to any insured depository institution, includes any other insured depository institution acquired by or merged with such insured depository institution.

"(B) ON-GOING CREDIT POOL.—

"(i) IN GENERAL.—In addition to the credit provided pursuant to subparagraph (A) and subject to the limitation contained in clause (vi) of such subparagraph, the Corporation shall, by regulation, establish an on-going system of credits to be applied

1	against future assessments under sub-
2	section (b)(1) on the same basis as the
3	dividends provided under paragraph
4	(2)(C).
5	"(ii) Limitation on credits under
6	CERTAIN CIRCUMSTANCES.—No credits
7	may be allowed by the Corporation under
8	this subparagraph during any period in
9	which—
10	"(I) the reserve ratio of the De-
11	posit Insurance Fund is less than the
12	designated reserve ratio of such Fund;
13	or o
14	"(II) the designated reserve ratio
15	of the Fund is less than 1.25 percent
16	of the amount of estimated insured
17	deposits.
18	"(4) Administrative review.—
19	"(A) In general.—The regulations pre-
20	scribed under paragraph (2)(D) and subpara-
21	graphs (A) and (B) of paragraph (3) shall in-
22	clude provisions allowing an insured depository
23	institution a reasonable opportunity to chal-
24	lenge administratively the amount of the credit

1	or dividend determined under paragraph (2) or
2	(3) for such institution.
3	"(B) Administrative review.—Any re-
4	view under subparagraph (A) of any determina-
5	tion of the Corporation under paragraph (2) or
6	(3) shall be final and not subject to judicial re-
7	view.".
8	(b) Definition of Reserve Ratio.—Section 3(y)
9	of the Federal Deposit Insurance Act (12 U.S.C. 1813(y))
10	(as amended by section 5(b) of this Act) is amended by
11	adding at the end the following new paragraph:
12	"(3) Reserve ratio.—The term 'reserve
13	ratio', when used with regard to the Deposit Insur-
14	ance Fund other than in connection with a reference
15	to the designated reserve ratio, means the ratio of
16	the net worth of the Deposit Insurance Fund to the
17	value of the aggregate estimated insured deposits.".
18	SEC. 8. DEPOSIT INSURANCE FUND RESTORATION PLANS.
19	Section 7(b)(3) of the Federal Deposit Insurance Act
20	(12 U.S.C. 1917(b)(3)) (as amended by section 5(a) of
21	this Act) is amended by adding at the end the following
22	new subparagraph:
23	"(E) DIF RESTORATION PLANS.—
24	"(i) In general.—Whenever—

1	"(I) the Corporation projects
2	that the reserve ratio of the Deposit
3	Insurance Fund will fall below the
4	designated reserve ratio within 6
5	months of such determination; or
6	"(II) the reserve ratio of the De-
7	posit Insurance Fund actually falls
8	below the designated reserve ratio
9	without any determination under sub-
10	clause (I) having been made,
11	the Corporation shall establish and imple-
12	ment a Deposit Insurance Fund restora-
13	tion plan within 30 days that meets the re-
14	quirements of clause (ii) or (iii), as the
15	case may be, and such other conditions as
16	the Corporation determines to be appro-
17	priate.
18	"(ii) Requirements of plan if re-
19	SERVE RATIO DOES NOT FALL BELOW 1.0
20	PERCENT.—If the reserve ratio of the De-
21	posit Insurance Fund is not projected to or
22	has not fallen below an amount equal to
23	1.0 percent of the aggregate estimated in-
24	sured deposits, a Deposit Insurance Fund
25	restoration plan meets the requirements of

1 this clause if the plan provides that the re-2 serve ratio of the Fund will meet or exceed 3 the designated reserve ratio that was in effect before the occurrence of the event described in subclause (I) or (II) of clause (i) 6 before the end of the 3-year period begin-7 ning upon implementation of the plan. 8 "(iii) Requirements of Plan if Re-9 SERVE RATIO FALLS BELOW 1.0 PER-CENT.—If the reserve ratio of the Deposit 10 11 Fund has fallen below Insurance 12 amount equal to 1.0 percent of the aggre-13 gate estimated insured deposits, a Deposit 14 Insurance Fund restoration plan meets the 15 requirements of this clause if the plan pro-16 vides that the reserve ratio of the Fund— 17 "(I) will meet or exceed an 18 amount equal to 1.0 percent of the 19 aggregate estimated insured deposits 20 before the end of the 2-year period be-21 ginning upon implementation of the 22 plan; and 23 "(II) will meet or exceed the des-24 ignated reserve ratio that was in ef-25 fect before the occurrence of the event

1 described in subclause (I) or (II) of 2 clause (i) before the end of the 3-year 3 period beginning on the date the reserve ratio first meets or exceeds an amount equal to 1.0 percent of the 6 aggregate estimated insured deposits 7 after the implementation of the plan. 8 "(iv) Transparency.—Not more 9 than 90 days after the Corporation estab-10 lishes and implements a restoration plan 11 under clause (i), the Corporation shall pub-12 lish in the Federal Register a detailed 13 analysis of the factors considered and the 14 basis for the actions taken with regard to 15 the plan.".

16 SEC. 9. REGULATIONS REQUIRED.

- 17 (a) In General.—Not later than 270 days after the
 18 date of the enactment of this Act, the Board of Directors
 19 of the Federal Deposit Insurance Corporation shall pre20 scribe final regulations, after notice and opportunity for
 21 comment—
- 22 (1) designating the reserve ratio for the Deposit 23 Insurance Fund in accordance with section 7(b)(3) 24 of the Federal Deposit Insurance Act (as amended 25 by section 5 of this Act);

- 1 (2) implementing increases in deposit insurance 2 coverage in accordance with the amendments made 3 by section 3 of this Act;
 - (3) implementing the dividend requirement under section 7(e)(2) of the Federal Deposit Insurance Act (as amended by section 7 of this Act).
- (4) implementing the 1-time assessment credit
 to certain insured depository institutions in accordance with section 7(e)(3) of the Federal Deposit Insurance Act, as amended by section 7 of this Act,
 including the qualifications and procedures under
 which the Corporation would apply assessment credits; and
- 14 (5) providing for assessments under section 15 7(b) of the Federal Deposit Insurance Act, as 16 amended by this Act.
- 17 (b) RULE OF CONSTRUCTION.—No provision of this
 18 Act or any amendment made by this Act shall be con19 strued as affecting the authority of the Corporation to set
 20 or collect deposit insurance assessments before the effec21 tive date of the final regulation prescribed under sub22 section (a).

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1	SEC. 10. STUDIES OF FDIC STRUCTURE AND EXPENSES AND
2	CERTAIN ACTIVITIES AND FURTHER POS-
3	SIBLE CHANGES TO DEPOSIT INSURANCE
4	SYSTEM.
5	(a) Study by Comptroller General.—
6	(1) Study required.—The Comptroller Gen-
7	eral shall conduct a study of the following issues:
8	(A) The efficiency and effectiveness of the
9	administration of the prompt corrective action
10	program under section 38 of the Federal De-
11	posit Insurance Act by the Federal banking
12	agencies (as defined in section 3 of such Act),
13	including the degree of effectiveness of such
14	agencies in identifying troubled depository insti-
15	tutions and taking effective action with respect
16	to such institutions, and the degree of accuracy
17	of the risk assessments made by the Corpora-
18	tion.
19	(B) The appropriateness of the organiza-
20	tional structure of the Federal Deposit Insur-
21	ance Corporation for the mission of the Cor-
22	poration taking into account—
23	(i) the current size and complexity of
24	the business of insured depository institu-
25	tions (as such term is defined in section 3
26	of the Federal Deposit Insurance Act);

1	(ii) the extent to which the organiza-
2	tional structure contributes to or reduces
3	operational inefficiencies that increase
4	operational costs; and
5	(iii) the effectiveness of internal con-
6	trols.
7	(2) Report to the congress.—The Comp-
8	troller General shall submit a report to the Congress
9	before the end of the 1-year period beginning on the
10	date of the enactment of this Act containing the
11	findings and conclusions of the Comptroller General
12	with respect to the study required under paragraph
13	(1) together with such recommendations for legisla-
14	tive or administrative action as the Comptroller Gen-
15	eral may determine to be appropriate.
16	(b) Internal Study by the FDIC.—
17	(1) Study required.—Concurrently with the
18	study required to be conducted by the Comptroller
19	General under subsection (a), the Federal Deposit
20	Insurance Corporation shall conduct an internal
21	study of the same conditions and factors included in
22	the study under subsection (a).
23	(2) Report to the congress.—The Federal
24	Deposit Insurance Corporation shall submit a report

to the Congress before the end of the 1-year period

1	beginning on the date of the enactment of this Act
2	containing the findings and conclusions of the Cor-
3	poration with respect to the study required under
4	paragraph (1) together with such recommendations
5	for legislative or administrative action as the Board
6	of Directors of the Corporation may determine to be
7	appropriate.
8	(c) Study of Further Possible Changes to De-
9	POSIT INSURANCE SYSTEM.—
10	(1) Study required.—The Board of Directors
11	of the Federal Deposit Insurance Corporation and
12	the National Credit Union Administration Board
13	shall each conduct a study of the following:
14	(A) The feasibility of establishing a vol-
15	untary deposit insurance system for deposits in
16	excess of the maximum amount of deposit in-
17	surance for any depositor and the potential ben-
18	efits and the potential adverse consequences
19	that may result from the establishment of any
20	such system.
21	(B) The feasibility of privatizing all deposit
22	insurance at insured depository institutions and
23	insured credit unions.
24	(2) Report.—Before the end of the 1-year pe-

riod beginning on the date of the enactment of this

- 1 Act, the Board of Directors of the Federal Deposit
- 2 Insurance Corporation and the National Credit
- 3 Union Administration Board shall each submit a re-
- 4 port to the Congress on the study required under
- 5 paragraph (1) containing the findings and conclu-
- 6 sions of the reporting agency together with such rec-
- 7 ommendations for legislative or administrative
- 8 changes as the agency may determine to be appro-
- 9 priate.
- 10 (d) Study Regarding Appropriate Deposit
- 11 Base in Designating Reserve Ratio.—
- 12 (1) Study required.—The Federal Deposit
- 13 Insurance Corporation shall conduct a study of the
- 14 feasibility of using actual domestic deposits rather
- than estimated insured deposits in calculating the
- 16 reserve ratio of the Deposit Insurance Fund and
- designating a reserve ratio for such Fund.
- 18 (2) Report.—The Federal Deposit Insurance
- 19 Corporation shall submit a report to the Congress
- before the end of the 1-year period beginning on the
- 21 date of the enactment of this Act containing the
- findings and conclusions of the Corporation with re-
- spect to the study required under paragraph (1) to-
- 24 gether with such recommendations for legislative or

1	administrative action as the Board of Directors of
2	the Corporation may determine to be appropriate.
3	(e) Study of Reserve Methodology and Ac-
4	COUNTING FOR LOSS.—
5	(1) Study required.—The Federal Deposit
6	Insurance Corporation, in consultation with the
7	Comptroller General, shall conduct a study of the re-
8	serve methodology and loss accounting used by the
9	Corporation during the period beginning on January
10	1, 1992, and ending December 31, 2002, with re-
11	spect to insured depository institutions in a troubled
12	condition (as defined in the regulations prescribed
13	pursuant to section 32(f) of the Federal Deposit In-
14	surance Act).
15	(2) Factors to be included.—In conducting
16	the study pursuant to paragraph (1), the Federal
17	Deposit Insurance Corporation shall—
18	(A) consider the overall effectiveness and
19	accuracy of the methodology used by the Cor-
20	poration for establishing and maintaining re-
21	serves and estimating and accounting for losses
22	at insured depository institutions, during the
23	period described in such paragraph;

1	(B) consider the appropriateness and reli-
2	ability of information and criteria used by the
3	Corporation in determining—
4	(i) whether an insured depository in-
5	stitution was in a troubled condition; and
6	(ii) the amount of any loss anticipated
7	at such institution;
8	(C) analyze the actual historical loss expe-
9	rience over the period described in paragraph
10	(1) and the causes of the exceptionally high
11	rate of losses experienced by the Corporation in
12	the final 3 years of that period; and
13	(D) rate the Corporation's efforts of the
14	Corporation to reduce losses in such 3-year pe-
15	riod to minimally acceptable levels and to his-
16	torical levels.
17	(3) Report required.—The Board of Direc-
18	tors of the Federal Deposit Insurance Corporation
19	shall submit a report to the Congress before June
20	30, 2003, containing the findings and conclusions of
21	the Corporation, in consultation with the Comp-
22	troller General, with respect to the study required
23	under paragraph (1), together with such rec-

ommendations for legislative or administrative action

1	as the Board of Directors may determine to be ap-
2	propriate.
3	SEC. 11. TECHNICAL AND CONFORMING AMENDMENTS TO
4	THE FEDERAL DEPOSIT INSURANCE ACT RE-
5	LATING TO THE MERGER OF THE BIF AND
6	SAIF.
7	(a) In General.—The Federal Deposit Insurance
8	Act (12 U.S.C. 1811 et seq.) is amended—
9	(1) in section 3 (12 U.S.C. 1813)—
10	(A) by striking subparagraph (B) of sub-
11	section (a)(1) and inserting the following new
12	subparagraph:
13	"(B) includes any former savings associa-
14	tion."; and
15	(B) by striking paragraph (1) of sub-
16	section (y) (as so designated by section 5(b) of
17	this Act) and inserting the following new para-
18	graph:
19	"(1) Deposit insurance fund.—The term
20	'Deposit Insurance Fund' means the Deposit Insur-
21	ance Fund established under section 11(a)(4).";
22	(2) in section 5(b)(5) (12 U.S.C. 1815(b)(5)),
23	by striking "the Bank Insurance Fund or the Sav-
24	ings Association Insurance Fund," and inserting
25	"the Deposit Insurance Fund,";

1	(3) in section $5(c)(4)$, by striking "deposit in-
2	surance fund" and inserting "Deposit Insurance
3	Fund";
4	(4) in section 5(d) (12 U.S.C. 1815(d)), by
5	striking paragraphs (2) and (3);
6	(5) in section $5(d)(1)$ (12 U.S.C. $1815(d)(1)$)—
7	(A) in subparagraph (A), by striking "re-
8	serve ratios in the Bank Insurance Fund and
9	the Savings Association Insurance Fund as re-
10	quired by section 7" and inserting "the reserve
11	ratio of the Deposit Insurance Fund";
12	(B) by striking subparagraph (B) and in-
13	serting the following:
14	"(2) Fee credited to the deposit insur-
15	ANCE FUND.—The fee paid by the depository insti-
16	tution under paragraph (1) shall be credited to the
17	Deposit Insurance Fund.";
18	(C) by striking "(1) Uninsured institu-
19	TIONS.—"; and
20	(D) by redesignating subparagraphs (A)
21	and (C) as paragraphs (1) and (3), respectively,
22	and moving the left margins 2 ems to the left;
23	(6) in section 5(e) (12 U.S.C. 1815(e))—
24	(A) in paragraph (5)(A), by striking
25	"Bank Insurance Fund or the Savings Associa-

1	tion Insurance Fund" and inserting "Deposit
2	Insurance Fund";
3	(B) by striking paragraph (6); and
4	(C) by redesignating paragraphs (7), (8),
5	and (9) as paragraphs (6), (7), and (8), respec-
6	tively;
7	(7) in section $6(5)$ (12 U.S.C. $1816(5)$), by
8	striking "Bank Insurance Fund or the Savings As-
9	sociation Insurance Fund" and inserting "Deposit
10	Insurance Fund";
11	(8) in section 7(b) (12 U.S.C. 1817(b))—
12	(A) in paragraph (1)(C), by striking "de-
13	posit insurance fund" each place that term ap-
14	pears and inserting "Deposit Insurance Fund";
15	(B) in paragraph (1)(D), by striking "each
16	deposit insurance fund" and inserting "the De-
17	posit Insurance Fund''; and
18	(C) in paragraph (5) (as so redesignated
19	by section 4(e)(4) of this Act)—
20	(i) by striking "any such assessment"
21	and inserting "any such assessment is nec-
22	essary'';
23	(ii) by striking subparagraph (B);
24	(iii) in subparagraph (A)—

1	(I) by striking "(A) is nec-
2	essary—'';
3	(II) by striking "Bank Insurance
4	Fund members" and inserting "in-
5	sured depository institutions"; and
6	(III) by redesignating clauses (i),
7	(ii), and (iii) as subparagraphs (A),
8	(B), and (C), respectively, and moving
9	the margins 2 ems to the left; and
10	(iv) in subparagraph (C) (as so redes-
11	ignated)—
12	(I) by inserting "that" before
13	"the Corporation"; and
14	(II) by striking "; and and in-
15	serting a period;
16	(9) in section $7(j)(7)(F)$ (12 U.S.C.
17	1817(j)(7)(F)), by striking "Bank Insurance Fund
18	or the Savings Association Insurance Fund" and in-
19	serting "Deposit Insurance Fund";
20	(10) in section $8(t)(2)(C)$ (12 U.S.C.
21	1818(t)(2)(C)), by striking "deposit insurance fund"
22	and inserting "Deposit Insurance Fund";
23	(11) in section 11 (12 U.S.C. 1821)—

1	(A) by striking "deposit insurance fund"
2	each place that term appears and inserting
3	"Deposit Insurance Fund";
4	(B) by striking paragraph (4) of sub-
5	section (a) and inserting the following new
6	paragraph:
7	"(4) Deposit insurance fund.—
8	"(A) Establishment.—There is estab-
9	lished the Deposit Insurance Fund, which the
10	Corporation shall—
11	"(i) maintain and administer;
12	"(ii) use to carry out its insurance
13	purposes, in the manner provided by this
14	subsection; and
15	"(iii) invest in accordance with section
16	13(a).
17	"(B) Uses.—The Deposit Insurance Fund
18	shall be available to the Corporation for use
19	with respect to insured depository institutions
20	the deposits of which are insured by the De-
21	posit Insurance Fund.
22	"(C) Limitation on use.—Notwith-
23	standing any provision of law other than section
24	13(c)(4)(G), the Deposit Insurance Fund shall
25	not be used in any manner to benefit any share-

1	holder or affiliate (other than an insured depos-
2	itory institution that receives assistance in ac-
3	cordance with the provisions of this Act) of—
4	"(i) any insured depository institution
5	for which the Corporation has been ap-
6	pointed conservator or receiver, in connec-
7	tion with any type of resolution by the
8	Corporation;
9	"(ii) any other insured depository in-
10	stitution in default or in danger of default
11	in connection with any type of resolution
12	by the Corporation; or
13	"(iii) any insured depository institu-
14	tion, in connection with the provision of as-
15	sistance under this section or section 13
16	with respect to such institution, except
17	that this clause shall not prohibit any as-
18	sistance to any insured depository institu-
19	tion that is not in default, or that is not
20	in danger of default, that is acquiring (as
21	defined in section 13(f)(8)(B)) another in-
22	sured depository institution.
23	"(D) Deposits.—All amounts assessed
24	against insured depository institutions by the

1	Corporation shall be deposited into the Deposit
2	Insurance Fund.";
3	(C) by striking paragraphs (5), (6), and
4	(7) of subsection (a); and
5	(D) by redesignating paragraph (8) of sub-
6	section (a) as paragraph (5);
7	(12) in section 11(f)(1) (12 U.S.C. 1821(f)(1)),
8	by striking ", except that—" and all that follows
9	through the end of the paragraph and inserting a
10	period;
11	(13) in section $11(i)(3)$ (12 U.S.C.
12	1821(i)(3))—
13	(A) by striking subparagraph (B);
14	(B) by redesignating subparagraph (C) as
15	subparagraph (B); and
16	(C) in subparagraph (B) (as so redesig-
17	nated), by striking "subparagraphs (A) and
18	(B)" and inserting "subparagraph (A)";
19	(14) in section $11(p)(2)(B)$ (12 U.S.C.
20	1821(p)(2)(B)), by striking "institution, any" and
21	inserting "institution, the";
22	(15) in section 11A(a) (12 U.S.C. 1821a(a))—
23	(A) in paragraph (2), by striking "LIABIL-
24	ITIES.—" and all that follows through "Except"
25	and inserting "LIABILITIES.—Except";

1	(B) by striking paragraph (2)(B); and
2	(C) in paragraph (3), by striking "the
3	Bank Insurance Fund, the Savings Association
4	Insurance Fund," and inserting "the Deposit
5	Insurance Fund";
6	(16) in section 11A(b) (12 U.S.C. 1821a(b)),
7	by striking paragraph (4);
8	(17) in section 11A(f) (12 U.S.C. 1821a(f)), by
9	striking "Savings Association Insurance Fund" and
10	inserting "Deposit Insurance Fund";
11	(18) in section $12(f)(4)(E)(iv)$ (12 U.S.C.
12	1822(f)(4)(E)(iv)), by striking "Federal deposit in-
13	surance funds" and inserting "the Deposit Insur-
14	ance Fund (or any predecessor deposit insurance
15	fund)";
16	(19) in section 13 (12 U.S.C. 1823)—
17	(A) by striking "deposit insurance fund"
18	each place that term appears and inserting
19	"Deposit Insurance Fund";
20	(B) in subsection (a)(1), by striking "Bank
21	Insurance Fund, the Savings Association Insur-
22	ance Fund," and inserting "Deposit Insurance
23	Fund";
24	(C) in subsection $(c)(4)(E)$ —

1	(i) in the subparagraph heading, by
2	striking "FUNDS" and inserting "FUND";
3	and
4	(ii) in clause (i), by striking "any in-
5	surance fund" and inserting "the Deposit
6	Insurance Fund";
7	(D) in subsection (c)(4)(G)(ii)—
8	(i) by striking "appropriate insurance
9	fund" and inserting "Deposit Insurance
10	Fund";
11	(ii) by striking "the members of the
12	insurance fund (of which such institution
13	is a member)" and inserting "insured de-
14	pository institutions";
15	(iii) by striking "each member's" and
16	inserting "each insured depository institu-
17	tion's"; and
18	(iv) by striking "the member's" each
19	place that term appears and inserting "the
20	institution's";
21	(E) in subsection (c), by striking para-
22	graph (11);
23	(F) in subsection (h), by striking "Bank
24	Insurance Fund" and inserting "Deposit Insur-
25	ance Fund'':

1	(G) in subsection $(k)(4)(B)(i)$, by striking
2	"Savings Association Insurance Fund member"
3	and inserting "savings association"; and
4	(H) in subsection (k)(5)(A), by striking
5	"Savings Association Insurance Fund mem-
6	bers" and inserting "savings associations";
7	(20) in section 14(a) (12 U.S.C. 1824(a)), in
8	the 5th sentence—
9	(A) by striking "Bank Insurance Fund or
10	the Savings Association Insurance Fund" and
11	inserting "Deposit Insurance Fund"; and
12	(B) by striking "each such fund" and in-
13	serting "the Deposit Insurance Fund";
14	(21) in section 14(b) (12 U.S.C. 1824(b)), by
15	striking "Bank Insurance Fund or Savings Associa-
16	tion Insurance Fund" and inserting "Deposit Insur-
17	ance Fund";
18	(22) in section 14(c) (12 U.S.C. 1824(c)), by
19	striking paragraph (3);
20	(23) in section 14(d) (12 U.S.C. 1824(d))—
21	(A) by striking "Bank Insurance Fund
22	member" each place that term appears and in-
23	serting "insured depository institution":

1	(B) by striking "Bank Insurance Fund
2	members" each place that term appears and in-
3	serting "insured depository institutions";
4	(C) by striking "Bank Insurance Fund"
5	each place that term appears (other than in
6	connection with a reference to a term amended
7	by subparagraph (A) or (B) of this paragraph)
8	and inserting "Deposit Insurance Fund";
9	(D) by striking the subsection heading and
10	inserting the following:
11	"(d) Borrowing for the Deposit Insurance
12	Fund From Insured Depository Institutions.—";
13	(E) in paragraph (3), in the paragraph
14	heading, by striking "BIF" and inserting "THE
15	DEPOSIT INSURANCE FUND"; and
16	(F) in paragraph (5), in the paragraph
17	heading, by striking "BIF MEMBERS" and in-
18	serting "Insured Depository Institutions";
19	(24) in section 14 (12 U.S.C. 1824), by adding
20	at the end the following new subsection:
21	"(e) Borrowing for the Deposit Insurance
22	FUND FROM FEDERAL HOME LOAN BANKS.—
23	"(1) In general.—The Corporation may bor-
24	row from the Federal home loan banks, with the
25	concurrence of the Federal Housing Finance Board.

1	such funds as the Corporation considers necessary
2	for the use of the Deposit Insurance Fund.
3	"(2) Terms and conditions.—Any loan from
4	any Federal home loan bank under paragraph (1) to
5	the Deposit Insurance Fund shall—
6	"(A) bear a rate of interest of not less
7	than the current marginal cost of funds to that
8	bank, taking into account the maturities in-
9	volved;
10	"(B) be adequately secured, as determined
11	by the Federal Housing Finance Board;
12	"(C) be a direct liability of the Deposit In-
13	surance Fund; and
14	"(D) be subject to the limitations of sec-
15	tion 15(c).";
16	(25) in section $15(c)(5)$ (12 U.S.C.
17	1825(c)(5))—
18	(A) by striking "the Bank Insurance Fund
19	or Savings Association Insurance Fund, respec-
20	tively" each place that term appears and insert-
21	ing "the Deposit Insurance Fund"; and
22	(B) in subparagraph (B), by striking "the
23	Bank Insurance Fund or the Savings Associa-
24	tion Insurance Fund, respectively" and insert-
25	ing "the Deposit Insurance Fund";

1	(26) in section 17(a) (12 U.S.C. 1827(a))—
2	(A) in the subsection heading, by striking
3	"BIF, SAIF," and inserting "THE DEPOSIT IN-
4	SURANCE FUND"; and
5	(B) in paragraph (1)—
6	(i) by striking "the Bank Insurance
7	Fund, the Savings Association Insurance
8	Fund," each place that term appears and
9	inserting "the Deposit Insurance Fund";
10	and
11	(ii) in subparagraph (D), by striking
12	"each insurance fund" and inserting "the
13	Deposit Insurance Fund";
14	(27) in section 17(d) (12 U.S.C. 1827(d)), by
15	striking ", the Bank Insurance Fund, the Savings
16	Association Insurance Fund," each place that term
17	appears and inserting "the Deposit Insurance
18	Fund";
19	(28) in section $18(m)(3)$ (12 U.S.C.
20	1828(m)(3))—
21	(A) by striking "Savings Association In-
22	surance Fund" in the 1st sentence of subpara-
23	graph (A) and inserting "Deposit Insurance
24	Fund";

1	(B) by striking "Savings Association In-
2	surance Fund member" in the last sentence of
3	subparagraph (A) and inserting "savings asso-
4	ciation"; and
5	(C) by striking "Savings Association Insur-
6	ance Fund or the Bank Insurance Fund" in
7	subparagraph (C) and inserting "Deposit Insur-
8	ance Fund";
9	(29) in section 18(o) (12 U.S.C. 1828(o)), by
10	striking "deposit insurance funds" and "deposit in-
11	surance fund" each place those terms appear and in-
12	serting "Deposit Insurance Fund";
13	(30) in section 18(p) (12 U.S.C. 1828(p)), by
14	striking "deposit insurance funds" and inserting
15	"Deposit Insurance Fund";
16	(31) in section 24 (12 U.S.C. 1831a)—
17	(A) in subsections (a)(1) and (d)(1)(A), by
18	striking "appropriate deposit insurance fund"
19	each place that term appears and inserting
20	"Deposit Insurance Fund";
21	(B) in subsection (e)(2)(A), by striking
22	"risk to" and all that follows through the pe-
23	riod and inserting "risk to the Deposit Insur-
24	ance Fund.'': and

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1
                  (C)
                       in
                            subsections
                                         (e)(2)(B)(ii)
                                                        and
 2
             (f)(6)(B), by striking "the insurance fund of
 3
             which such bank is a member" each place that
 4
             term appears and inserting "the Deposit Insur-
 5
             ance Fund";
 6
             (32) in section 28 (12 U.S.C. 1831e), by strik-
 7
        ing "affected deposit insurance fund" each place
 8
        that term appears and inserting "Deposit Insurance
 9
        Fund";
10
             (33) by striking section 31 (12 U.S.C. 1831h);
11
             (34)
                    in
                          section
                                    36(i)(3)
                                              (12)
                                                     U.S.C.
        1831m(i)(3)), by striking "affected deposit insur-
12
13
        ance fund"
                      and inserting "Deposit Insurance
14
        Fund";
15
             (35)
                   in
                        section
                                 37(a)(1)(C)
                                               (12)
                                                     U.S.C.
        1831n(a)(1)(C)), by striking "insurance funds" and
16
17
        inserting "Deposit Insurance Fund";
18
             (36) in section 38 (12 U.S.C. 1831o), by strik-
19
        ing "the deposit insurance fund" each place that
20
        term appears and inserting "the Deposit Insurance
21
        Fund";
22
             (37) in section 38(a) (12 U.S.C. 1831o(a)), in
23
        the subsection heading, by striking "Funds" and in-
        serting "Fund";
24
25
             (38) in section 38(k) (12 U.S.C. 1831o(k))—
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1	(A) in paragraph (1), by striking "a de-
2	posit insurance fund" and inserting "the De-
3	posit Insurance Fund";
4	(B) in paragraph (2), by striking "A de-
5	posit insurance fund" and inserting "The De-
6	posit Insurance Fund"; and
7	(C) in paragraphs $(2)(A)$ and $(3)(B)$, by
8	striking "the deposit insurance fund's outlays"
9	each place that term appears and inserting "the
10	outlays of the Deposit Insurance Fund"; and
11	(39) in section 38(o) (12 U.S.C. 1831o(o))—
12	(A) by striking "Associations.—" and all
13	that follows through "Subsections (e)(2)" and
14	inserting "Associations.—Subsections (e)(2)";
15	(B) by redesignating subparagraphs (A),
16	(B), and (C) as paragraphs (1), (2), and (3),
17	respectively, and moving the margins 2 ems to
18	the left; and
19	(C) in paragraph (1) (as so redesignated),
20	by redesignating clauses (i) and (ii) as subpara-
21	graphs (A) and (B), respectively, and moving
22	the margins 2 ems to the left.
23	(b) Effective Date.—This section and the amend-
24	ments made by this section shall take effect on the first
25	day of the first calendar quarter that begins after the end

- 1 of the 90-day period beginning on the date of the enact-
- 2 ment of this Act.
- 3 SEC. 12. OTHER TECHNICAL AND CONFORMING AMEND-
- 4 MENTS RELATING TO THE MERGER OF THE
- 5 BIF AND SAIF.
- 6 (a) Section 5136 of the Revised Statutes.—
- 7 The paragraph designated the "Eleventh" of section 5136
- 8 of the Revised Statutes of the United States (12 U.S.C.
- 9 24) is amended in the 5th sentence, by striking "affected
- 10 deposit insurance fund" and inserting "Deposit Insurance
- 11 Fund".
- 12 (b) Investments Promoting Public Welfare;
- 13 Limitations on Aggregate Investments.—The 23d
- 14 undesignated paragraph of section 9 of the Federal Re-
- 15 serve Act (12 U.S.C. 338a) is amended in the 4th sen-
- 16 tence, by striking "affected deposit insurance fund" and
- 17 inserting "Deposit Insurance Fund".
- 18 (c) Advances to Critically Undercapitalized
- 19 Depository Institutions.—Section 10B(b)(3)(A)(ii) of
- 20 the Federal Reserve Act (12 U.S.C. 347b(b)(3)(A)(ii)) is
- 21 amended by striking "any deposit insurance fund in" and
- 22 inserting "the Deposit Insurance Fund of".
- 23 (d) Amendments to the Balanced Budget and
- 24 Emergency Deficit Control Act of 1985.—Section
- 25 255(g)(1)(A) of the Balanced Budget and Emergency

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Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)(A)) is
 2
   amended—
 3
             (1) by striking "Bank Insurance Fund" and in-
 4
        serting "Deposit Insurance Fund"; and
 5
             (2) by striking "Federal Deposit Insurance Cor-
 6
        poration, Savings Association Insurance Fund (51–
 7
        4066-0-3-373);".
 8
        (e) Amendments to the Federal Home Loan
   Bank Act.—The Federal Home Loan Bank Act (12)
10
   U.S.C. 1421 et seq.) is amended—
11
             (1) in section 11(k) (12 U.S.C. 1431(k))—
12
                 (A) in the subsection heading, by striking
             "SAIF" and inserting "THE DEPOSIT INSUR-
13
14
             ANCE FUND"; and
15
                 (B) by striking "Savings Association In-
16
             surance Fund" each place such term appears
17
             and inserting "Deposit Insurance Fund";
18
             (2) in section 21 (12 U.S.C. 1441)—
19
                 (A) in subsection (f)(2), by striking ", ex-
20
             cept that" and all that follows through the end
21
             of the paragraph and inserting a period; and
22
                 (B) in subsection (k), by striking para-
23
             graph(4);
24
             (3)
                  in
                      section
                               21A(b)(4)(B)
                                              (12)
                                                    U.S.C.
        1441a(b)(4)(B)), by striking "affected deposit insur-
25
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1	ance fund" and inserting "Deposit Insurance
2	Fund'';
3	(4) in section $21A(b)(6)(B)$ (12 U.S.C.
4	1441a(b)(6)(B))—
5	(A) in the subparagraph heading, by strik-
6	ing "SAIF-INSURED BANKS" and inserting
7	"CHARTER CONVERSIONS"; and
8	(B) by striking "Savings Association In-
9	surance Fund member" and inserting "savings
10	association";
11	(5) in section $21A(b)(10)(A)(iv)(II)$ (12 U.S.C.
12	1441a(b)(10)(A)(iv)(II)), by striking "Savings Asso-
13	ciation Insurance Fund" and inserting "Deposit In-
14	surance Fund";
15	(6) in section $21A(n)(6)(E)(iv)$ (12 U.S.C.
16	1441(n)(6)(E)(iv)), by striking "Federal deposit in-
17	surance funds" and inserting "the Deposit Insur-
18	ance Fund";
19	(7) in section 21B(e) (12 U.S.C. 1441b(e))—
20	(A) in paragraph (5), by inserting "as of
21	the date of funding" after "Savings Association
22	Insurance Fund members" each place that term
23	appears; and
24	(B) by striking paragraphs (7) and (8);
25	and

1	(8) in section 21B(k) (12 U.S.C. 1441b(k))—
2	(A) by inserting before the colon ", the fol-
3	lowing definitions shall apply";
4	(B) by striking paragraph (8); and
5	(C) by redesignating paragraphs (9) and
6	(10) as paragraphs (8) and (9), respectively.
7	(f) Amendments to the Home Owners' Loan
8	ACT.—The Home Owners' Loan Act (12 U.S.C. 1461 et
9	seq.) is amended—
10	(1) in section 5 (12 U.S.C. 1464)—
11	(A) in subsection (e)(5)(A), by striking
12	"that is a member of the Bank Insurance
13	Fund";
14	(B) in subsection (c)(6), by striking "As
15	used in this subsection—" and inserting "For
16	purposes of this subsection, the following defini-
17	tions shall apply:";
18	(C) in subsection (o)(1), by striking "that
19	is a Bank Insurance Fund member';
20	(D) in subsection (o)(2)(A), by striking "a
21	Bank Insurance Fund member until such time
22	as it changes its status to a Savings Association
23	Insurance Fund member" and inserting "in-
24	sured by the Deposit Insurance Fund":

1	(E) in subsection $(t)(5)(D)(iii)(II)$, by
2	striking "affected deposit insurance fund" and
3	inserting "Deposit Insurance Fund";
4	(F) in subsection $(t)(7)(C)(i)(I)$, by strik-
5	ing "affected deposit insurance fund" and in-
6	serting "Deposit Insurance Fund"; and
7	(G) in subsection (v)(2)(A)(i), by striking
8	"the Savings Association Insurance Fund" and
9	inserting "or the Deposit Insurance Fund"; and
10	(2) in section 10 (12 U.S.C. 1467a)—
11	(A) in subsection (c)(6)(D), by striking
12	"this title" and inserting "this Act";
13	(B) in subsection (e)(1)(B), by striking
14	"Savings Association Insurance Fund or Bank
15	Insurance Fund" and inserting "Deposit Insur-
16	ance Fund";
17	(C) in subsection (e)(2), by striking "Sav-
18	ings Association Insurance Fund or the Bank
19	Insurance Fund" and inserting "Deposit Insur-
20	ance Fund";
21	(D) in subsection (e)(4)(B), by striking
22	"subsection (1)" and inserting "subsection (l)";
23	(E) in subsection (g)(3)(A), by striking
24	"(5) of this section" and inserting "(5) of this
25	subsection";

1	(F) in subsection (i), by redesignating
2	paragraph (5) as paragraph (4);
3	(G) in subsection (m)(3), by striking sub-
4	paragraph (E) and by redesignating subpara-
5	graphs (F), (G), and (H) as subparagraphs
6	(E), (F), and (G), respectively;
7	(H) in subsection (m)(7)(A), by striking
8	"during period" and inserting "during the pe-
9	riod"; and
10	(I) in subsection (o)(3)(D), by striking
11	"sections 5(s) and (t) of this Act" and inserting
12	"subsections (s) and (t) of section 5".
13	(g) Amendments to the National Housing
14	ACT.—The National Housing Act (12 U.S.C. 1701 et
15	seq.) is amended—
16	(1) in section $317(b)(1)(B)$ (12 U.S.C.
17	1723i(b)(1)(B)), by striking "Bank Insurance Fund
18	for banks or through the Savings Association Insur-
19	ance Fund for savings associations" and inserting
20	"Deposit Insurance Fund"; and
21	(2) in section $536(b)(1)(B)(ii)$ (12 U.S.C.
22	1735f–14(b)(1)(B)(ii)), by striking "Bank Insurance
23	Fund for banks and through the Savings Association
24	Insurance Fund for savings associations" and insert-
25	ing "Deposit Insurance Fund".

- 1 (h) Amendments to the Financial Institutions
- 2 Reform, Recovery, and Enforcement Act of
- 3 1989.—The Financial Institutions Reform, Recovery, and
- 4 Enforcement Act of 1989 (12 U.S.C. 1811 note) is
- 5 amended—
- 6 (1) in section 951(b)(3)(B) (12 U.S.C.
- 7 1833a(b)(3)(B)), by inserting "and after the merger
- 8 of such funds, the Deposit Insurance Fund," after
- 9 "the Savings Association Insurance Fund,"; and
- 10 (2) in section 1112(c)(1)(B) (12 U.S.C.
- 11 3341(c)(1)(B)), by striking "Bank Insurance Fund,
- the Savings Association Insurance Fund," and in-
- serting "Deposit Insurance Fund".
- 14 (i) Amendment to the Bank Holding Company
- 15 ACT OF 1956.—The Bank Holding Company Act of 1956
- 16 (12 U.S.C. 1841 et seq.) is amended—
- 17 (1) in section 2(j)(2) (12 U.S.C. 1841(j)(2)), by
- striking "Savings Association Insurance Fund" and
- inserting "Deposit Insurance Fund"; and
- 20 (2) in section 3(d)(1)(D)(iii) (12 U.S.C.
- 21 1842(d)(1)(D)(iii)), by striking "appropriate deposit
- insurance fund" and inserting "Deposit Insurance
- Fund".
- 24 (j) Amendments to the Gramm-Leach-Bliley
- 25 Act.—Section 114 of the Gramm-Leach-Bliley Act (12

- 1 U.S.C. 1828a) is amended by striking "any Federal de-
- 2 posit insurance fund" in subsection (a)(1)(B), paragraphs
- 3 (2)(B) and (4)(B) of subsection (b), and subsection
- 4 (c)(1)(B), each place that term appears and inserting "the
- 5 Deposit Insurance Fund".
- 6 (k) Effective Date.—This section and the amend-
- 7 ments made by this section shall take effect on the first
- 8 day of the first calendar quarter that begins after the end
- 9 of the 90-day period beginning on the date of the enact-
- 10 ment of this Act.

Passed the House of Representatives May 22, 2002. Attest:

Clerk.